



A PHI Company

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October 30, 2015

**Via DelaFile**

Ms. Donna Nickerson, Secretary  
Delaware Public Service Commission  
861 Silver Lake Boulevard  
Cannon Building, Suite 100  
Dover, DE 19904

**RE: Compliance Filing of Delmarva Power & Light Company in PSC Docket Nos.  
15-1355 and 15-1333**

Dear Ms. Nickerson:

Enclosed for filing with the Commission is the compliance filing in Delmarva's Gas Cost Rate proceeding (Docket No. 15-1355) and Environmental Surcharge Rate proceeding (Docket No. 15-1333). This filing is made in compliance with the following Commission Order Nos.: 8785 in Docket No. 15-1355 and 8786 in Docket No. 15-1333. The rates reflected on the attached Tariff Leafs will become effective with usage on and after November 1, 2015.

Please contact me at 302-429-3143 or Heather Hall at 302-454-4828 with any questions related to these matters.

Sincerely,

A handwritten signature in black ink, appearing to read 'Pamela J. Scott', written over a horizontal line.

Pamela J. Scott

RULES AND REGULATIONS

SECTION XX - GAS COST RATE CLAUSE

A. Gas Cost Rate Clause

The monthly rates contained in Service Classifications RG, GG, GL, MVG, and LVG shall include a gas cost rate each month to reflect total purchased gas costs. Total purchased gas costs will be separated into purchased gas commodity costs and upstream demand-related gas costs. Total gas cost recovery will occur as the result of the application of a purchased gas commodity cost recovery component and a demand-related cost recovery component to Customer billing determinants.

Total gas cost shall consist of:

- (1) The amounts charged to FERC Accounts 803, 804, and 804.1, which includes commodity purchases, transportation, demand, storage and capacity charges; plus
- (2) The amounts charged to FERC Account 808.1, which includes the cost of gas withdrawn from storage; less
- (3) The amounts credited to FERC Accounts 804.1 and 808.2, which includes the cost of gas delivered to storage; plus
- (4) The amounts charged to FERC Account 728, which includes liquid petroleum gas and unmixed propane gas; plus
- (5) All additional charges paid to the Company's suppliers for prior periods; plus
- (6) The costs paid to third parties as part of a gas price hedging program approved by the Commission, including payments to obtain an option, whether or not exercised, payments to obtain a price band or cap, swap transaction costs, and other similar costs, less revenues or payments received for the sale of an option, swap transaction revenues, or similar revenues or payments received; less
- (7) Revenues received for the Company's Firm Storage, and Standby Services; less
- (8) All refunds received from the Company's suppliers for prior periods.

Gas Costs specifically exclude expenses associated with operation and maintenance of Company Owned Liquefied Natural Gas facilities.

The Determination Period concerning the Gas Cost Rate shall be the twelve (12) month period ended October 31 of each year. The Application Period shall be the twelve (12) month period beginning with the November billing month following the close of the Determination Period and continuing through the following October billing month.

In August of each year, the Company shall file with the Commission a statement of its annual estimated gas costs for the next Application Period calculated in accordance with this Clause, and the Commission shall set a new Commodity Cost Rate and a Demand Cost Rate for that year as provided in this Section

RULES AND REGULATIONS

SECTION XX - GAS COST RATE CLAUSE - (Continued)

B. Commodity Component

1. Monthly Commodity Cost Rate ("Monthly CCR")

The Monthly CCR shall apply to Customers served under Service Classification LVG and is an option for Customers served under Service Classification MVG. On or before August 1 of each year all MVG Customers must elect whether to be charged the annual or monthly commodity cost rate for each 12 month planning period beginning with November billing. No MVG Customer will be permitted to change its election once the application period has begun.

The Monthly CCR shall be determined each month as an estimate of the weighted average commodity cost of gas ("WACCOG"), adjusted for unaccounted-for gas. The estimate shall be based on expected volume requirements and supplier prices. The Monthly CCR shall be applied to all gas quantities used by Customers served under the Monthly CCR provision. There will be no true-up of the monthly WACCOG commodity pricing under this Monthly CCR mechanism unless the annual (July 1-June 30) net difference between the actual monthly WACCOG incurred and the monthly WACCOG price charged (both of which are multiplied by the applicable monthly volumes delivered to Monthly CCR Customers) exceeds the lesser of \$250,000 or 5% of the aggregated gas commodity costs assigned to Monthly GCR Customers. This determination will be filed annually in the GCR.

If this threshold is exceeded, a volumetric factor (either positive or negative) will be calculated by dividing the annual net differences attributed to Monthly GCR Customers by the projected sales for Monthly GCR Customers over the next GCR period. This factor would be applied to all Monthly CCR Customers for the upcoming GCR period in addition to the commodity price that would otherwise apply (the monthly WACCOG) until the amount to be trued up has been reached. At that point, the true-up factor will be eliminated. If the \$250,000 or 5% threshold described above is exceeded, the difference trued-up with respect to Monthly GCR Customers shall be excluded from the Annual Commodity Cost Rate calculation as described below.

2. Annual Commodity Cost Rate ("Annual CCR")

All Customers in Service Classifications RG, GG and GL, and all MVG customers not electing the Monthly CCR will be subject to the "Annual Commodity Cost Rate", to be billed on a volumetric basis. The development of the Annual CCR is based on the cost components defined below, divided by sales to the appropriate Customer classes.

The Annual commodity gas cost shall consist of all costs not recovered by the Demand Gas Cost component, including but not limited to:

- (1) The total commodity portion of the gas costs listed in Paragraph A; less
- (2) The commodity cost of gas, adjusted for losses and unaccounted - for gas, for LVG and MVG Customers served under the Monthly CCR and any such amount resulting from a reconciliation of actual commodity expenses to estimates; less
- (3) Streamed gas supplies; less

## RULES AND REGULATIONS

### SECTION XX - GAS COST RATE CLAUSE - (Continued)

The Demand Cost Rate (DCR) consists of a single volumetric based factor, which is calculated by dividing the Total Demand Component by the projected annual firm sales to all Customer classes. The DCR is added to the Annual CCR to arrive at a single, volumetric rate which is applied to all gas quantities used by Customers in the RG, GG, GL and Non-Electing MVG service classifications. The DCR and the monthly CCR are applied to all gas quantities used by Customers in the LVG and Electing MVG service classifications.

#### D. Interim Gas Cost Rate Changes

The GCR as so determined shall be in effect and apply to billings during each month of the Application Period unless the GCR is changed as hereinafter provided:

If it appears at any time during the Application Period that the use of the GCR then in effect for the remainder of that period will result in a net under-collection of the Company's gas cost by more than 6% of the latest estimate of the Application Period's gas cost calculated using the actual gas costs incurred to date and the Company's latest estimate of the gas costs and firm sales for the remainder of the Application Period, or a net over-collection of such gas costs by more than 4-1/2% of such estimate, the Company shall apply to the Commission for a change in the GCR and the Commission shall fix a new GCR for the balance of the Application Period which will correct for over- or under-recoveries by amortizing them over a twelve-month period instead of zeroing them out by the end of the current Application Period.

In the case of a projected over-collection of firm gas costs by more than 4-1/2% of the latest estimate of firm gas costs, the Company may apply to the Commission for approval of alternative treatments of such over-collections, including bill credits, in conjunction with or as an alternative to reducing the GCR and amortizing the projected over-collection over a future period.

An adjustment for over or under-collection of purchased gas costs under the CCR and the DCR, and the calculation of interest thereon, will be included in the GCR factors. This adjustment shall be determined as follows:

- (1) By calculating for the Determination Period the commodity cost component as recorded on the Company's books and as estimated by the Company for the remainder of the period, and subtracting therefrom an amount equal to the gas commodity revenues received from all customers gas sales;
- (2) By calculating for the Determination Period the total demand cost component as recorded on the Company's books of purchased gas costs allocable to the DCR and as estimated by the Company for the remainder of the period and subtracting therefrom an amount equal to the gas demand revenues received from all customers.
- (3) Interest will be calculated on the total average deferred gas cost balance. Over-recoveries up to 4 1/2% of the applicable GCR costs shall accrue monthly interest at the applicable refund rate issued by the Federal Energy Regulatory Commission. Over-recoveries in excess of 4 1/2% of the applicable costs shall accrue monthly interest at the applicable refund rate issued by the Federal Energy Regulatory Commission plus 200 basis points. Under-recoveries shall accrue monthly interest at the applicable refund rate issued by the Federal Energy Regulatory Commission.

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RATES AND CHARGES  
CORE SALES RATE LEAF

<u>SERVICE CLASSIFICATION</u>	<u>BASE RATE</u>	<u>BASIS</u>
<u>Residential Gas Sales Service ("RG")</u>		
Customer Charge	\$11.52	per month
Delivery Charge	\$0.507390	per CCF
Space Heating Delivery Charge 1/ Over 50 CCF	\$0.407140	per CCF
Environmental Surcharge Rider	\$0.00128	per CCF
Gas Cost Rate (GCR)	\$0.39467	per CCF
<u>General Gas Sales Service ("GG")</u>		
Customer Charge	\$34.72	per month
Delivery Charge		
First 750 CCF	\$0.42149	per CCF
Over 750 CCF	\$0.31483	per CCF
Environmental Surcharge Rider	\$0.00128	per CCF
Gas Cost Rate (GCR)	\$0.39467	per CCF
<u>Gas Lighting Sales Service ("GL")</u>		
(Estimated Usage - 15 CCF per month)		
Monthly Charge	\$ 7.13	per gas light
Gas Cost Rate (GCR)	\$ 5.92	per gas light
<u>Medium Volume Gas Sales Service ("MVG")</u>		
Customer Charge	\$681.20	per month
Demand Charge	\$ 16.142	per MCF of Billing MDQ
Delivery Charge 2/	\$0.51796	per MCF
Environmental Surcharge Rider	\$0.01282	per MCF
Gas Cost Rate (GCR)	\$3.9467	per MCF
<u>Large Volume Gas Sales Service ("LVG")</u>		
Customer Charge	\$1,020.84	per month
Demand Charge	\$ 9.940	per MCF of Billing MDQ
Delivery Charge 2/	\$0.12453	per MCF
Environmental Surcharge Rider	\$0.01282	per MCF
Gas Demand Cost Rate(DCR)	\$1.7022	per MCF
Gas Commodity Cost Rate (CCR) 2/	Varies	per MCF

Public Utilities Tax: 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2% Charged on all non-exempt services, in the City of Wilmington, including the GCR.

Utility Facility Relocation Charge

For applicability refer to Rider UFRC on Leaf No. 81

1/ Gas used by Customers with permanently installed gas-fired space heating equipment qualifies for the space heating delivery rate for all gas used in excess of 50 ccf for the billing months of October through May, inclusive.  
2/ All LVG and "Electing" MVG Customers pay a monthly Gas Demand Cost Rate and a Commodity Cost Rate based upon the system Weighted Average Commodity Cost of Gas ("System WACCOG"). "Non-Electing" MVG Customers pay the annual GCR listed here.

Order Nos. 8785 & 8786

Filed: October 30, 2015

Docket Nos. 15-1355 & 15-1333

Effective with Usage On and After November 1, 2015

## BASIS

Filed in Compliance with Order No. 8786 in Docket No. 15-1333

RATES AND CHARGES

CORE TRANSPORTATION RATE LEAF

<u>SERVICE CLASSIFICATION</u>	<u>BASE RATE</u>	<u>BASIS</u>
<u>General Volume Firm Transportation</u>		
Service ("GVFT")		
Customer Charge	\$120.98	per month
Delivery Charge		
First 750 CCF	\$0.42149	per CCF Redelivered
Over 750 CCF	\$0.31483	per CCF Redelivered
Balancing Fee Non-Base Rate	\$0.03310	per CCF of Imbalance Volumes
Environmental Surcharge Rider	\$0.00128	per CCF
<u>Medium Volume Firm Transportation</u>		
Service ("MVFT")		
Customer Charge	\$757.40	per month
Demand Charge	\$ 16.142	per MCF of Billing MDQ
Delivery Charge	\$ 0.51796	per MCF Redelivered
Balancing Fee Non-Base Rate	\$0.3310	per MCF of Imbalance Volumes
Environmental Surcharge Rider	\$0.01282	per MCF
<u>Large Volume Firm Transportation</u>		
Service ("LVFT")		
Customer Charge	\$1,097.04	per month
Demand Charge	\$ 9.940	per MCF of Billing MDQ
Delivery Charge	\$ 0.12453	per MCF Redelivered
Balancing Fee Non-Base Rate	\$0.3310	per MCF of Imbalance Volumes
Environmental Surcharge Rider	\$0.01282	per MCF
<u>Standby Service ("SBS")</u>		
Demand Charge Non-Base Rate	\$1.7022	per MCF
Commodity Charge		Monthly System WACCOG per MCF (adjusted for losses and unaccounted for)

Utility Facility Relocation Charge

For applicability refer to Rider UFRC on Leaf No. 81

Public Utilities Tax: 4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.

City of Wilmington Local Franchise Tax: 2.00% Charged on all non-exempt Services, in the City of Wilmington, including the GC.

Order Nos. 8785 & 8786  
Docket Nos. 15-1355 & 15-1333

Filed: October 30, 2015  
Effective with Usage On and After November 1, 2015

Filed in Compliance with Order No. 8785 in Docket No. 15-1355  
And Order No. 8786 in Docket No. 15-1333



**RATES AND CHARGES  
NON-CORE RATE LEAF**

<u>SERVICE CLASSIFICATION</u>	<u>BASE RATE</u>	<u>MIN RATE</u>	<u>MAX RATE</u>	<u>NON-BASE RATE</u>	<u>BASIS</u>
<u>Flexibly Priced Gas Service ("FPS")</u>					
Commodity Charge 1/ No Notice Swing Charge	\$ 0.15000	Varies	N/A		per MCF per MCF Redelivered
<u>Medium Volume Interruptible Transportation Service ("MVIT")</u>					
Customer Charge	\$757.40				per month
Delivery Charge (2)					
Option 1	\$ 1.30000				per MCF Redelivered
Option 2		\$0.01	\$3.27		per MCF Redelivered
Option 3	Negotiable				per MCF Redelivered
Balancing Fee				\$0.3310	per MCF of Imbalance Volumes
<u>Large Volume Interruptible Transportation Service ("LVIT")</u>					
Customer Charge	\$1,097.04				per month
Delivery Charge (2)					
Option 1					
First 5,000 MCF	\$ 1.30000				per MCF Redelivered
Over 5,000 MCF	\$ 0.36000				per MCF Redelivered
Option 2		\$0.01	\$1.00		per MCF Redelivered
Option 3	Negotiable				per MCF Redelivered
Balancing Fee				\$0.3310	per MCF of Imbalance Volumes
<u>Quasi-Firm Transportation Service ("QFT")</u>					
Customer Charge	Negotiable				per Month
Demand Charge	Negotiable				per MCF of MDQ
Delivery Charge (2)	Negotiable				per MCF Redelivered
Balancing Fee				\$0.3310	per MCF of Imbalance Volumes
<u>Public Utilities Tax</u>					
	4.25% Applies to all non-residential services, including the GCR, unless pursuant to Title 30 Chapter 55, the Customer is eligible for a different tax rate or is exempt from such tax.				
<u>City of Wilmington</u>					
<u>Local Franchise Tax</u>				2.00%	Charged on all non-exempt services, in the City of Wilmington, including the GCR

Utility Facility Relocation Charge For applicability refer to Rider UFRC on Leaf No. 81

1/ Minimum Rate is the monthly system WACCOG plus losses and unaccounted-for, unless gas is acquired specifically for, plus \$0.01 per Mcf.

2/ Minimum and maximum rates do not include the applicable \$0.00000/Mcf charge on QFT, MVIT and LVIT.

Order No. 8785  
Docket No. 15-1355

Filed: October 30, 2015  
Effective with Usage On and After November 1, 2015

SERVICE CLASSIFICATION "GG"

GENERAL GAS SALES SERVICE

A. Availability

This firm sales service is available to any Customer for non-residential gas use with a Monthly Use of less than 20,000 CCF and a Maximum Daily Quantity of less than 5,000 CCF. Any Customer whose monthly use equals or exceeds 20,000 CCF and/or whose Maximum Daily Quantity equals or exceeds 5,000 CCF in any three consecutive billing months may be transferred to Service Classification "MVG" or "LVG", as applicable. Availability of this rate to Customers taking service under a non-core or Transportation Service Classification shall be subject to availability of the Company's gas supply and adequate gas transmission and distribution system capabilities.

B. Transition Charge

A transition charge shall be assessed upon any Customer that switches to any transportation service on less than twelve (12) months advance written notice. This charge is intended to provide compensation for any and all costs deemed to have been incurred to supply firm sales services to the Customer in accordance with procedures approved by the Commission.

In addition, concerning any Customer subject to the Annual GCR Commodity Charge that switches to any transportation or non-firm service at a time when the gas deferred fuel balance is other than zero, a transition charge or refund shall be paid by or returned to the Customer. Such transition charge or refund shall be computed by multiplying the gas deferred fuel balance as of the end of the calendar month preceding the change in service by the ratio of that Customer's usage during the prior twelve-month period to the total usage of all sales Customers subject to an Annual GCR Commodity Charge for the same twelve-month period. Transition refunds shall be paid in a lump sum; transition charges shall be paid by the Customer either in a lump sum or in twelve equal monthly payments at the Customer's option.

C. Rates and Charges:

The rates and charges under this classification are shown on Tariff Leaf No. 37.

D. Gas Cost Rate Clause

All gas billed under this rate shall be subject to the Gas Cost Rate Clause as provided in Section XX of the Rules and Regulations.

E. Minimum Monthly Bill

The Minimum Monthly Bill rendered under this rate shall be the Customer Charge.